

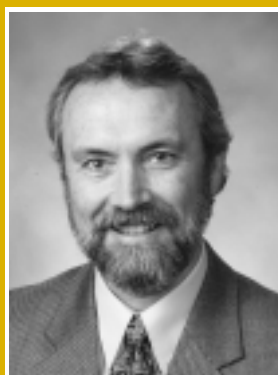
15th District **2004 Session Review**



May 2004

State Representative
Bruce Chandler

P.O. Box 40600
MOD 2 - 110 C
Olympia, WA 98504-0600
(360) 786-7960
chandler_br@leg.wa.gov



State Representative
Dan Newhouse

P.O. Box 40600
John L. O'Brien Bldg. 422
Olympia, WA 98504-0600
(360) 786-7874
newhouse_da@leg.wa.gov
Toll-Free Hotline: 1-800-562-6000

Dear friends and neighbors,

Our ongoing commitment to create jobs for citizens and restore trust in government guided the efforts of House Republicans throughout the 2004 legislative session in Olympia. Although the session was scheduled for just 60 days, lawmakers addressed significant issues aimed at restoring our economy, improving access to health care, and bringing prosperity to communities and families.

Results were mixed. We made incremental progress in our push to improve Washington's competitiveness, but more remains to be done. This newsletter provides a summary of key issues addressed during the recently completed session.

As always, we welcome your questions and ideas, and look forward to assisting you if you need help in your dealings with state government. It's an honor to serve as your state representatives.

Sincerely,

Dan Newhouse
State Representative

Bruce Chandler
State Representative

We'd like to hear from you!

As your state representatives, we look forward to answering questions you have, providing information you may be looking for, or helping you in your dealings with state government.

We hope you'll take the time to contact us when we can be of assistance.

For more information about the issues we are working on in Olympia, visit our websites at <http://hrc.leg.wa.gov/members/chandler.htm> and <http://hrc.leg.wa.gov/members/newhouse.htm>

Rep. Bruce Chandler • Rep. Dan Newhouse

Job creation, trust in government set the tone for 2004

With a strong emphasis on bringing jobs to Washington and restoring citizen's trust in government, lawmakers embarked on a relatively big agenda during a short 60-day legislative session. Following is a summary of key legislation that was passed, as well as measures on which we were unable to reach a consensus.

THE GOOD

■ **Tax incentives for job creation**

An important set of tax credits and deferrals for employers that generate jobs in rural areas was scheduled to expire this year. Some 560 companies are using these tax incentives, and they have demonstrated how important these tax policies are for our state to be competitive in attracting high-demand, high-paying jobs.



The Legislature extended these tax incentives so that we can continue to diversify and strengthen our job opportunities, especially in rural communities.

■ **Tougher laws against child molesters**

One of the biggest achievements of the session was adoption of the Child Protection Act of 2004 (HB 2400). The measure toughens the law against child molesters. It also provides major revisions to the state's Special



Sex Offender Sentencing Alternative law (SSOSA), which has allowed serious offenders to avoid their full prison sentences by opting for community-based treatment. This policy of returning sex offenders to the streets has haunted victims and their families.

The bill makes serious offenders ineligible for SSOSA, establishes longer minimum sentences and gives victims a voice in offender supervision and treatment.

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WORK IN PROGRESS

■ Supplemental operating budget

In 2003, House Republicans fought for and successfully adopted a balanced budget that did not raise general fund taxes. In 2004 the challenge before us was to make adjustments to the two-year budget to cover costs over the remainder of the biennium without abandoning the sound budget principles in the original budget.

Budget negotiators reached a compromise that attempts to strike this balance. The 2004 supplemental budget funded many worthwhile services, such as health care for low-income children and services for the developmentally disabled. But the truth is we are spending more than we can afford over the long term. It will require tough decisions in 2005 to balance the next budget without tax increases.

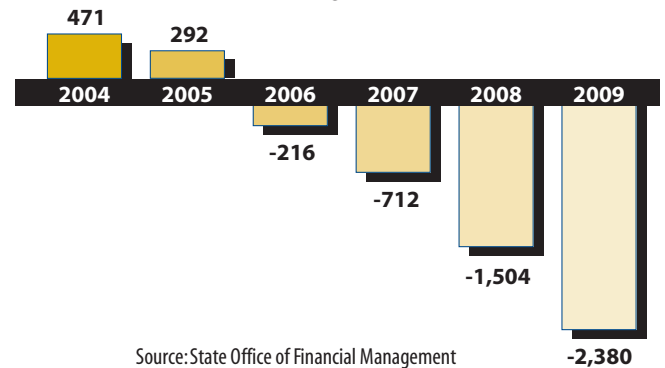


2004 BUDGET OVERVIEW

- Increases general fund spending for 2003-05 by \$165 million.
- Leaves reserves of \$278 million – about 1.2 percent of total revenues.
- Increases investments in K-12 public schools by \$20 million.
- Includes \$113.3 million in new funding to protect health care and other human services for the state's most vulnerable citizens.
- Leaves the state with a projected \$1 billion budget shortfall in 2005-07.

Projected annual surplus or deficit

State general fund - in millions of dollars



Source: State Office of Financial Management

■ Small-group insurance reform

Many working families can't get health care coverage because it's too expensive for their employers. Washington's percentage of uninsured has risen to nearly 17 percent, due in part to excessive government rules that make basic health plans prohibitively expensive.

We supported **HB 3104**, which would have provided the flexibility needed to help small employers provide their employees with affordable health insurance. Unfortunately, the meaningful reforms that were needed lost out to an eleventh-hour alternative that made only minor adjustments to the small-group health care market.

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■ Agriculture and natural resources

Critical to our efforts to improve Washington's economy are reforms needed to assist our agricultural industry. This session we approved relief measures for our state's cattle producers, including policies to restore consumer confidence in food safety and tax credits for beef processors to help the industry remain healthy until export markets for U.S. beef are reopened.

Funding was also approved to support research into new technology for the asparagus and hop industries.

Correcting the state's flawed use-it-or-lose-it water policies that lead to unfair water right relinquishments has been an ongoing battle for us in Olympia. While we continue to work for progress on this issue, we were unable this year to enact the real reforms that are needed.



■ Regulatory reform

Last year several regulatory reforms were adopted by the Legislature, only to be vetoed by the governor. This year we passed a compromise measure (**House Bill 2598**) that will make it easier for citizens affected unfairly by state agency rules to challenge those rules. This bill will allow rules to be challenged in one of four counties throughout Washington, including Yakima, Spokane, Whatcom and Thurston. Until now, all such legal challenges against the state had to be filed in Thurston County, giving state agencies a "home-court advantage." The bill will allow small business owners and working families to have their grievances heard closer to home.

House Republicans proposed additional reforms this session to improve public trust in the regulatory system, but they were rejected by Democrat leaders.

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THE DISAPPOINTING

■ Liability/medical malpractice reform

Civil litigation abuse and exposure to liability dramatically affect the ongoing costs and risks for health care providers and employers doing business in Washington. Large jury awards and settlements have created a lottery-style civil justice system that has led to skyrocketing insurance premiums. This harms all of us as consumers by preventing access to affordable health care, increasing the cost of housing, and hurting our economy.

To help create jobs and build trust in government, House Republicans sponsored **HB 3030 and House Bill 2191**, which would have reformed the tort system to make it more fair, predictable and timely. In response, House Democrat proposals fell far short. Little progress was made this session to stop rising liability costs that are forcing doctors out of practice, hurting employers, and strangling local government.

■ A new primary system in Washington



You will notice a difference in the way we vote in our state's September primary. Washington's popular blanket primary was declared unconstitutional, requiring that we implement a new system or risk having no primary for voters to participate in this fall.

Lawmakers approved legislation to implement a new primary that would meet the test of the courts for constitutionality

while still protecting elements of our long-cherished blanket primary that voters value:

- 1) Allowing voters to have choice in their voting selections,
- 2) Protecting their independence and privacy, and
- 3) Ensuring the accuracy of elections.

There are different political and civic organizations that have expressed an interest in what the new primary system should be. This issue will most likely be settled in

court or by citizen initiative, and will probably resemble one of the following systems:

TOP TWO PRIMARY – The top-two primary would allow voters to cast a vote for any one candidate in each race, regardless of party — very similar to the blanket primary system. The difference is that the top two vote getters in each primary race would move on to the general election, even if they are from the same party.

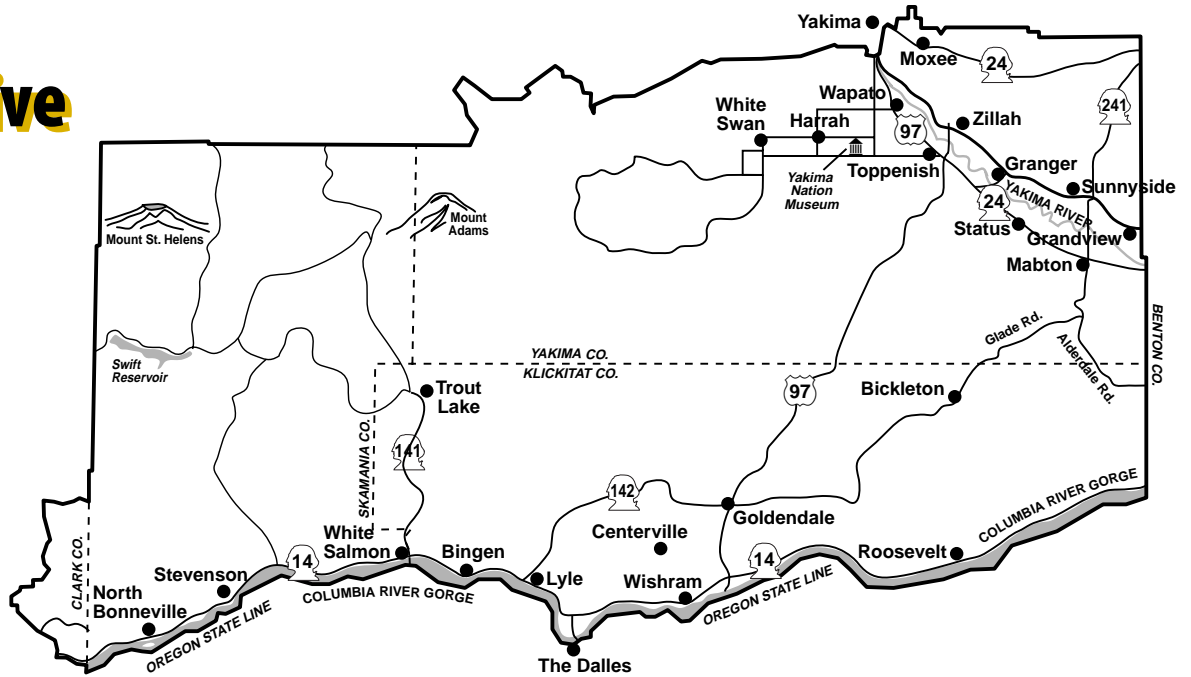
While the system protects the voters' choice in the primary, it may limit their choice of candidates in the November general election, since it may result in a general election race between two Democrats or two Republicans. It also leaves third party candidates with little or no chance of having a candidate on the November ballot.

MONTANA STYLE PRIMARY – This system would require a voter to select a primary ballot for a given party and would limit the voter's selection to that party's candidates. While somewhat limiting the voters' choice, this system has the advantage of maintaining voter privacy. No party registration is required and no record of the voter's ballot selection is kept.

UPDATE: On April 1, Gov. Locke vetoed the "Top Two" portion of the bill, and the backup Montana plan was left in place. The voter's choice of party ballot remains confidential and no party registration will be required. Legal challenges were filed immediately, and the Washington Grange has launched an initiative campaign to overturn Locke's veto.

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**Reps. Bruce Chandler
and Dan Newhouse**

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Olympia, Wash 98504-0600

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